(The article referred to follows:)

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HOW TO CUT COSTS ON YOUR MORTGAGE

(By Sylvia Porter)

How much money could you save by repaying your home mortgage in 20 years instead of 30 years?

What is the difference to you over the long range if your home mortgage interest rate is 6 percent as against 6.5 percent.

Or if you make a big vs. a small down payment?

These are three key questions to explore if you are now shopping for a home mortgage. And these are three key areas in which you can achieve significant savings.

As a guide to the right answers for you, this column will give the pertinent dollars-and-cents comparisons.

On interest rates, you'll probably find that all major lenders in your area offer home mortgages at similar interest rates. Nevertheless, a seemingly minor difference can mean hundreds of dollars in savings over the life of the mortgage. Here's the comparison for a $10,000 mortgage with a 20-year repayment period:

Interest rate (percent):	*Total interest*
6	$7,194
6.5	7,893
7	8,607
7.5	9,334

From this table, it's easy enough to see that even ½ percent on a $10,000 loan can mean savings in the $600–700 range over a 20-year period, and that a difference of 1 percent can mean savings of nearly $1,500.

If you shorten the repayment period of your $10,000 mortgage, your savings are even more dramatic. Here's the comparison for a $10,000 mortgage at 6 percent interest over various repayment periods:

Repayment period:	*Total interest cost*
10 years	$3,322
15 years	5,190
20 years	7,193
25 years	9,329
30 years	11,582

From this table, it's obvious you can save $4,388 in interest simply by repaying the mortgage in 20 instead of 30 years.

Of course, if you sharply reduce the repayment period of your loan, you'll have to pay more each month. Using the example of a $10,000 mortgage at 6 percent:

Repayment period:	*Monthly payment*
10 years	$111
15 years	84
20 years	71
25 years	64
30 years	60

The longer repayment period seems attractive but you've already read how much extra interest you pay when you stretch out.

The larger your down payment, the smaller will be the amount of your mortgage, and thus the smaller will be the amount of interest you will pay over the years, and the cheaper will be the over-all cost of the loan to you.

The average loan-to-price ratio in the nation today for a new home is 74.9 percent—i.e., the average mortgage being granted is for about 75 percent of the purchase price and the average down payment is 25 percent.

But averages are useless in terms of individuals. Your key rules for savings on your home mortgage are: shop for the lowest available interest rate in your area, make the largest feasible down payment, repay your mortgage in the shortest feasible period of time.